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MEMORANDUM FOR:

SUBJECT

Knoche Project

- 1. As a follow-up to today's meeting with Mr. Knoche, the following items and attachments are for your consideration:
  - Attachment 1, the Summary of IOG Implications, was mentioned by Mr. Knoche as being derived from problem papers prepared by the group. These problem papers will not be available to us until Thursday.
  - Attachment 2, Criteria to be Considered in Analyzing Options, was also mentioned by Mr. Knoche as a first draft of the group. He wishes us to critique these Criteria and offer any additions or relevant comments.
  - c. Mr. Knoche also requested our comments with respect to the pros and cons of the organizational oversight of departmental resources, particularly defense (tactical) assets.
  - Finally, he would like our thoughts on new definitions for such terms as national and tactical.

Mr. Knoche would like any comments relative to the above items by Friday, 5 December.

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is attempting to get you additional copies of the DCI speech at the National War College on 1 December in which the Director discussed various options.

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Attachments: (2) as stated

## SUMMARY OF IOG IMPLICATIONS

# #1. Executive Office Supervision, Coordination and Control

- A number of executive office committees under NSC auspices
  have responsibilities for policy integration in specific areas;
  none has general responsibility for the full range of intelligence
  - policies which have significant domestic, military and diplomatic consideration.
- No Executive Office oversight mechanism exists to review the legal propriety of intelligence activities.
- e Centralized Congressional liaison in the Executive Office may be required.
- #2. Intelligence Community Leadership

## #3. Control Over Community Resources

- There is no single review authority for intelligence resources.

  Trade-offs between competing collection functional areas and among collection, processing and production needs are inadquately handled.
- Closer ties needed between resource inputs and product outputs in resource allocation. Consumers are inadequately involved.
- e. Technological opportunities in collection tend to unduly influence resource considerations.
- Differeing definitions of tactical intelligence tend to obscure the total resources available to the Intelligence Community.
- Executive Branch financial controls on the budget execution phase of intelligence programs could be improved.

# #4. Producer/Consumer Relations

- Significant information required by intelligence officers if often unavailable to them.
- The quality of intelligence product suffers from both inadequate requirements guidance and a lack of feedback from policy officials.
- NIE's for defense are highly useful, but those affecting State and

  Treasury are neither responsive nor timely to the consumer needs.
- NSCIC has not functioned effectively.

#### #5. Secrecy and Compartmentation

- Improvements in secrecy arrangements are needed to improve
  the delivery of substantive intelligence products to users.

  While improvements in this area are not basic to the charter of
  the IOG, a need exists to reexamine this entire area and minimize
  the degree of compartmentation required.
- A NSSM on this subject is currently stalled and an IOG recommendation in this area would be helpful in getting movement.

### #6. Protection of Sources and Methods

- Who, if anyone, should be responsible for government-wide protection of sources and methods.
- How to protect national security information against unauthorized disclosure without unduly requiring further disclosure in significant actions.

#### #7. Covert Actions

- The degree of Presidential involvement in each covert action steps to improve 40 Committee mechanisms and procedures.
- Location of covert action function.

## #8. Intelligence Warning and Support in Crisis Situations

Individual agency needs satisfactorily met but no cohesive crossagency mechanism. The question to be resolved involves providing interagency intelligence judgments in a timely fashion.

• How to arrange for time tasking of intelligence collection facilities in a crisis situation.

#### #9. Control of Intelligence Resources in Peacetime and Wartime Transition

- The absence of a formal peace/war transition agreement at the national level.
- e Do existing arrangements provide for an effective transition to
- crisis and hot war conditions?
- Adequacy of peacetime USIB mechanisms to direct SIGINT systems
   to meet military needs in wartime.

### #10. National Intelligence Support for Theater Commanders

- Are there organizational problems? Would organizational arrangements help to clarify issue?
- What are the prospects for resource savings if we solve the problem of national intelligence support to field commanders?
- What are the potential benefits to the theater commanders from an examination of the problem.

## #11. Intelligence Organization Problem Areas

Role of DCI, including resource allocation, management of collection systems, production of intelligence, Community oversight and Community spokesman with Congress.

- Overhead programs NRP retained in DoD, CIA continued involvement, continued need for Excom, and should Excom membership be expanded?
- SIGINT programs Is NSA best left in DoD, need for three service crypto agencies, CIA continued involvement, establish a SIGINT Excom?
- HUMINT programs Is clandestine collection best left within

  CIA should CIA control DoD HUMINT, need for three services

  clandestine operations, improved utilization of FSO's, MAAG's,

  improved coordination with State?
- Production of intelligence Better structured assignment of responsibilities, greater coordination, NIO mechanism effectiveness, reestablish Office of National Estimates?
- Intelligence R&D Preserve the existing talents and capabilities in possible organization options.

## #12. Relationship of the Intelligence Community to Congress

- Attention required to protect intelligence information, particularly names of sources and means to assure limited distribution in the Congress.
- e How to expand the flow of intelligence analysis to Congress without endangering Community capabilities and integrity. May suggest a need for centralized responsibility.

#### CRITERIA TO BE CONSIDERED IN ANALYZING OPTIONS

Effect on product quality?

Effect on consumer/producer relations?

Effect on consideration of resource issues in the Community?

Effect on Congressional relationships?

Effect on support to field commanders?

Effect on tasking of elements of Community to meet intelligence needs?

Effect on Presidential control of intelligence?

Effect on command and control over assets?

Effect on war-fighting capability?

Effect on efficiency of operations?

Import of transition (including efficiency of operations and effect on foreign intelligence) to the new option?

Effect on ability to assess performance of intelligence machinery?

Effect on covert operations?